



Charles D. Baker, Governor  
Karyn E. Polito, Lieutenant Governor  
Jamey Tesler, Acting MassDOT Secretary & CEO  
Steve Poftak, General Manager



April 14, 2021

His Excellency Charles D. Baker, Governor  
Office of the Governor  
Room 280, Massachusetts State House  
Boston, Massachusetts 02133

The Honorable Steven T. James, House Clerk  
Office of the Clerk of the House  
24 Beacon Street, Room 145—State House  
Boston, Massachusetts 02133

The Honorable Michael D. Hurley, Senate Clerk  
Office of the Clerk of the Senate  
24 Beacon Street, Room 335—State House  
Boston, Massachusetts 02133

Thomas P. Koch, Chairman  
MBTA Advisory Board  
177 Tremont Street  
Boston, MA 02111

Re: **Net Operating Investment per Passenger Mile**

Pursuant to subsection 11 of section 151 of chapter 127 of the acts of 1999 and the reporting requirements contained therein, the Authority is providing the net operating investment per passenger mile ratio for fiscal years 2019 through 2023. As stipulated by the legislation, the calculation uses the values of the variables reported each fiscal year to the Federal Transit Administration for the National Transit Database.

The ratios for fiscal years 2019 and 2020 are based on actual data. The current and next two fiscal years are projections. The attached report provides an explanation for the year-to-year changes in the ratio.

Sincerely,

DocuSigned by:

*Mary Ann O'Hara*

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Mary Ann O'Hara  
Chief Financial Officer

Attachments (2)

cc: Jamey Tesler  
Acting MassDOT Secretary & CEO

Steve Poftak  
General Manager

David B. Panagore  
Chief Administrative Officer

**REPORT OF THE**  
**MASSACHUSETTS BAY TRANSPORTATION AUTHORITY**  
**NET OPERATING INVESTMENT PER PASSENGER MILE**  
**FY 2019—FY 2023**

As required under the Authority's enabling legislation, the enclosed report details the "net operating investment per passenger mile" for all public transportation operations. This statistic represents the ratio of net investment (expenses less fares and other income) to passenger miles (cumulative miles ridden by all passengers for all modes of service). This report, based on the Federal Transit Administration's (FTA) "National Transit Database" statistics, is a five year trend analysis comparing the current year's (FY 2021) estimated ratio with the prior two years actual and a subsequent two years projection.

As indicated in the analysis, the ratio is expected to rise to \$3.42 in FY 2021, however, the rate drops to \$1.65 in FY 2023. The rise in FY 2021 is a result of a loss of ridership negatively impacting passenger miles due to the pandemic. The Authority has continued to provide a high level of service miles that did not decrease with Passenger Miles as to provide adequate service and social distancing.

The FY 2022 projection reflects the operating budget preview presented to the Fiscal and Management Control Board (FMCB) on March 8, 2021. The FMCB must vote on a final operating budget by June 15, 2021. This report uses the FY21 budget as the baseline with growth rates applied for FY 2022 and FY 2023 projections. These are preliminary projections and subject to change and significant variability given the level of uncertainty introduced by COVID-19.

Planning ahead, the Authority's goals continue to be that of increasing ridership through effective, efficient public transportation services, while keeping expenses and fares at a reasonable level. In addition, the Authority will continue to maintain cost control efforts while restoring fare revenue and other income.

**Massachusetts Bay Transportation Authority**  
**Net Operating Investment Per Passenger Mile**  
**FY 2019 - FY 2020 Actual; FY 2021 - FY 2023 Projected**  
(Per "National Transit Database" Reporting Methodology)

	Operating Expenses	Fare Revenue*	Non-Transportation Income	Net Investment	Passenger Miles	Investment Ratio
FY 19 (Actual)	1,569,167,535	715,038,573	87,237,829	766,891,132	1,679,893,946	0.457
FY 20 (Actual) **	1,624,697,015	577,681,518	76,745,676	970,269,821	1,274,042,911	0.762
FY 21 (Budget)	1,766,543,335	150,501,832	59,001,282	1,557,040,221	455,153,496	3.421
FY 22 (Preliminary Budget) ***	1,871,695,652	212,112,133	56,675,135	1,602,908,384	507,961,855	3.156
FY 23 (Preliminary Budget) ***	1,892,119,415	387,828,476	64,622,146	1,439,668,793	872,022,974	1.651

Note: Section 11 of Chapter 161A of Massachusetts General Laws stipulates that beginning in FY2006, the Authority should seek to achieve and maintain a target ratio of not more than 20 cents for any fiscal year. The legislation instructs the Authority to calculate the ratio using for the values of the variables the data reported each year to the Federal Transit Administration for the National Transit Database. As such, the data in the above chart differs slightly from the Authority's Statement of Revenue and Expenses.

\* Fare Revenue includes Parking Lot Proceeds.

\*\* FY 2020- Operating Expenses and Passenger Miles were not finalized before last year's submission.

\*\*\* The FY 2022 projection has been updated since the preliminary operating budget request, presented to the Fiscal and Management Control Board (FMCB) on March 8, 2021. The FMCB must vote on a final operating budget by June 15, 2021. This report uses the FY 2021 budget. For FY 2022 and FY 2023 preliminary budgets are used and subject to change. FY 2021 - Includes \$17M for Safety & Infrastructure Support for Non-Transportation Income.